

**SCOTTSDALE TOURISM DEVELOPMENT COMMISSION
CITY OF SCOTTSDALE
ECONOMIC VITALITY OFFICE
4021 N. 75TH STREET, SUITE 102
SCOTTSDALE, ARIZONA 85251
JANUARY 31, 2011
SPECIAL MEETING
APPROVED MINUTES**

PRESENT: Kate Birchler, Chairwoman
Mike Surguine, Vice Chairman
Ace Bailey, Commissioner
Kathleen Glenn, Commissioner
Michael Hoffman, Commissioner (telephonic) (left at 8:17 a.m.)
David Richard, Commissioner
Leon Young, Commissioner

STAFF: Steve Geiogamah, Tourism Development Coordinator
Bob Tunis, Economic Development Tourism Manager

GUESTS: Rachel Sacco, SCVB

1. Call to Order/Roll Call

Noting the presence of a quorum at 8:02 a.m., Chairwoman Birchler called to order the regular meeting of the Scottsdale Tourism Development Commission. She welcomed Kathleen Glenn to the Commission.

2. Election of Officers

COMMISSIONER BAILEY MOVED TO NOMINATE KATE BIRCHLER AS CHAIR OF THE TOURISM DEVELOPMENT COMMISSION. COMMISSIONER SURGUINE SECONDED. THE MOTION CARRIED UNANIMOUSLY BY A VOTE OF SEVEN (7) TO ZERO (0).

COMMISSIONER BIRCHLER MOVED TO NOMINATE MICHAEL SURGUINE AS VICE CHAIR OF THE TOURISM DEVELOPMENT COMMISSION. COMMISSIONER RICHARD SECONDED. THE MOTION CARRIED UNANIMOUSLY BY A VOTE OF SEVEN (7) TO ZERO (0).

3. Approval of Minutes

- November 16, 2010 Regular Meeting

Mr. Geiogamah corrected that the hotel/motel sales tax revenue was down, not the bed tax as reported in the November meeting minutes.

VICE CHAIRMAN SURGUINE MOVED TO APPROVE THE MINUTES OF THE NOVEMBER 16, 2010 REGULAR MEETING AS AMENDED. COMMISSIONER BAILEY SECONDED. THE MOTION CARRIED UNANIMOUSLY BY A VOTE OF SEVEN (7) TO ZERO (0).

4. Non-Marketing Bed Tax Funds Subcommittee

Chairwoman Birchler addressed the terminology used in relation to overall bed tax collections. The TDC's function is to make recommendations to City Council on how bed tax revenue is spent. With the passing of Prop 200, half of the money is to be used for destination marketing, while the other half is specified for non-destination marketing tourism-related expenditures. However, the vernacular has evolved to the point where people have begun referring to this latter portion as "the City's half." This is beginning to cause confusion. Some City Council Members have erroneously concluded that they are responsible for overseeing that 50%, when it is the Commission's role to oversee 100% of the bed tax revenue. She encouraged staff and the Commissioners to use the correct terminology when referring to the non-destination marketing portion of the bed tax revenue.

Chairwoman Birchler proposed the formation of a subcommittee responsible for making recommendations on how to spend the non-destination marketing 50%. The group would ideally involve a City Council Member who would serve as a liaison. Commissioner Richard queried whether the MEAF Subcommittee functions would be rolled into the new subcommittee. Chairwoman Birchler felt that the MEAF Subcommittee should be dissolved, since the new subcommittee would take a more expansive view. With the two new Council Members beginning their terms, this is the perfect time to reaffirm the Commission's role as advisors on tourism-related issues.

CHAIRWOMAN BIRCHLER MOVED TO APPOINT COMMISSIONERS BIRCHLER, SURGUINE, AND YOUNG TO THE NON-MARKETING BED TAX FUND SUBCOMMITTEE TO FOCUS ON AN EXPANSIVE VIEW OF TOURISM IN SCOTTSDALE THAT WOULD INCLUDE NEW EVENT DEVELOPMENT, EVENT SUPPORT, THE MEAF PROGRAM, AS WELL AS OTHER TOURISM PROGRAM ACTIVITIES. COMMISSIONER RICHARD SECONDED. THE MOTION CARRIED BY A VOTE OF SIX (6) TO ZERO (0). COMMISSIONER HOFFMAN WAS NO LONGER PRESENT.

5. TDC Work Study Meeting Follow Up

Mr. Geiogamah presented a summary report on the TDC Work Study Session of November 30, 2010. The Commission formed consensus ideas on three topics: a five-year strategic marketing plan, the policies and procedures related to the Tourism program, and event support. For the strategic marketing plan, staff intends to work with the CVB and the TDC to further define strategic plan objectives. For the policies and procedures question, staff will examine the issues that were raised by the TDC. He proposed a work study session between the TDC and the City Council to discuss them. In the final matter, the new subcommittee would meet to discuss potential changes to

the event support program. Once these tasks are completed, the TDC would have an opportunity to review the results for potential action.

Chairwoman Birchler said the summary makes note of issues that the TDC has been discussing for a very long time. Staff could best help the TDC by making progress on the action items. She said the new subcommittee should meet within the next two weeks to address MEAF. The legacy idea has come to a standstill and needs to be revitalized. She encouraged staff and the TDC to work together to move forward on the strategic plan, and the event support program. Mr. Geiogamah said he would put together a timeline.

Commissioner Richard said he would like to understand the economic impact of expenditures such as the \$75,000 that was allocated for sod for the recent Fiesta-related events. The public needs to understand what the TDC does, and what the return on their investment is. Chairwoman Birchler felt the TDC should get past the point of having to validate everything and begin promoting the great things that are happening. Ms. Sacco noted that ESPN indicated that Scottsdale's Fiesta event was the best staging they have ever had. That news is worth a lot. She proposed a recap after every event to list all the accomplishments that are not easily quantifiable.

Commissioner Richard said this event is one of the easiest for which a positive return on investment can be demonstrated. What is the dollar value of the exposure that Scottsdale received during the ESPN broadcasts? Commissioner Surguine said Scottsdale could easily have lost the Fiesta. The turf itself was paid for by a third party. The biggest problem is that the Executive Vice President of the CVB had to spend untold hours walking the event through the City's processes, and even had to give his personal credit card to the municipal water company to ensure that the grass was watered. This is not an efficient way to handle special events.

The reorganization of Economic Vitality is the perfect opportunity to get resources allocated appropriately. Mr. DeRaad's personal effort made Fiesta a success, but that is not what his job with the CVB should have to entail. Chairwoman Birchler agreed, adding that it was difficult enough for Mr. DeRaad to do, even though he was familiar with the system. Imagine the hurdles that event producers have to face on their own. Commissioner Richard said Scottsdale has to be more user-friendly. The event producers have described Scottsdale as one of the most difficult municipalities they have to work with. That is not the type of environment that will attract more special events. Chairwoman Birchler suggested quarterly reports to City Council to recap the benefits of events, and illustrate the benefit they provide to the community.

6. Tourism Development Commission Annual Report

Mr. Geiogamah presented the Tourism Development Commission Annual Report as a follow up action item from the 2009 Board and Commission City Audit Report. The City Manager's Office has requested the report which includes activities of all the City's commissions and boards during last calendar year. Commissioner Richard suggested noting the dates of each of the individual actions taken.

Chairwoman Birchler inquired about the City Manager's Office intentions for the information. Mr. Geiogamah explained that they are trying to evaluate each of the commissions and boards to determine usefulness, as well as ensure consistency related to bylaws and procedures.

Chairwoman Birchler said the bed tax increase discussion should be mentioned in the report. Vice Chairman Surguine suggested that the Fiesta event, which was a huge success, should also be noted. He felt that a casual reader would conclude that the TDC did not accomplish much in the past year, which is not the case. Chairwoman Birchler pointed out that the Commissioners took extra time out of their schedules to attend a work study session that specifically focused on the five-year plan. That should be noted as well. Commissioner Richard stated that the Joint DDC Subcommittee took a great deal of effort. Chairwoman Birchler agreed, and added that the recommendation passed unanimously, which is significant. Vice Chairman Surguine felt that the Commissioners should have been given a draft of the report prior to the meeting so that they had more time to review it.

CHAIRWOMAN BIRCHLER MOVED TO REQUEST A DEADLINE EXTENSION ON THE TDC ANNUAL REPORT FROM THE CITY MANAGER'S OFFICE, TO ALLOW THE COMMISSIONERS ENOUGH TIME TO REVIEW NOTES AND MEETING MINUTES WITH THE INTENT OF REVISING THE REPORT. COMMISSIONER BAILEY SECONDED. THE MOTION CARRIED UNANIMOUSLY BY A VOTE OF SIX (6) TO ZERO (0).

Commissioner Young inquired whether the report included all the issues discussed, or just the motions taken. Mr. Geiogamah explained that the report included action items and major issues discussed. Chairwoman Birchler said this situation emphasizes the importance of the TDC appearing before Council on a quarterly basis to highlight accomplishments and issues. She also requested the opportunity to invite Dave Richert to a TDC meeting to elaborate on the report.

7. Identification of Future Agenda Items

The Commission reviewed the list of TDC meetings dates throughout the remainder of the year. Chairwoman Birchler requested an agenda item to recap the Event Subcommittee activities.

8. Public Comment

There were no public comments.

9. Adjournment

The meeting adjourned at 8:49 a.m.

Respectfully submitted,
A/V Tronics, Inc. DBA AVTranz.